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RUEHOS/AMCONSUL LAGOS 6415
RHEBAAA/DEPT OF ENERGY WASHINGTON DC
RHEHNSC/NSC WASHINGTON DC
RUEAIIA/CIA WASHINGTON DC
RUEKDIA/DIA WASHDC
RHMFISS/HQ USEUCOM VAIHINGEN GE
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK

C O N F I D E N T I A L SECTION 01 OF 02 ABUJA 000565

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DOE FOR CAROLYN GAY

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TAGS: [PGOV](#) [KCOR](#) [NI](#)

SUBJECT: NIGERIA: SENATE COMMITTEE INDICTS PRESIDENT, V.P.

REF: A. ABUJA 564

- [1](#)B. ABUJA 449
- [1](#)C. ABUJA 417
- [1](#)D. ABUJA 402
- [1](#)E. ABUJA 322
- [1](#)F. ABUJA 321
- [1](#)G. 06 ABUJA 2773

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Classified By: Political Counselor Russ Hanks for reasons 1.4. (b & d).

[1](#)1. (C) SUMMARY. The Senate Review Committee looking into the activities of the Petroleum Technology Development Fund released its report recommending both President Obasanjo and Vice President Atiku be referred to the Code of Conduct Bureau for further action in relation to illegal approval of disbursements from the Fund's accounts. The report was tabled late on March 21 rather than being presented -- a move which allowed the report to be noted, but not scheduled for discussion until the Senate reconvenes in early May (following the elections). This procedural technicality appears to have been a compromise reached between Senate leadership and the Committee members over timing of the report's release. END SUMMARY.

[1](#)2. (C) The Senate Review Committee on the Ad Hoc Committee Report on the Petroleum Technology Development Fund (PTDF) was formed on March 14 to review the report of the ad hoc committee and investigate unanswered questions, most specifically those posed in Senator Olupitan's dissenting report (Refs B and C). On March 20, the entire nine-member committee submitted its letter of resignation to the Senate. The letter stated, "considering the fact that the leadership is not certain about the time it would want the report to be presented, we, members of the Review Committee, hereby respectfully resign our membership." Leadership Editor-in-Chief Sam Nda-Isaiah (strictly protect) told Poloff that members of the committee had chosen to resign because Senate President Ken Nnamani had wanted to hold the report until the Senate reconvenes on May 2 (after the elections). Several papers reported, and Nda-Isaiah maintained, Senator Nnamani met several times in the days prior to March 21 with Obasanjo's former advisor Andy Uba. Speculation abounds that the meeting was to urge Nnamani not to allow the report to be released before the elections.

¶3. (C) On March 21, the Senate unanimously refused to accept the resignation of the committee members. The report was then tabled, but not "presented" before the Senate. Senate rules allow a tabled report to be scheduled for discussion at a later date, while presenting the report would have immediately opened the floor for discussion. The report will be scheduled for discussion when the Senate reconvenes on May ¶2. NOTE: The Senate will reconvene in May with its current membership. Those with terms ending in 2007 and those not reelected remain until June 12 (2 weeks after the May 29 presidential handover), when the new membership will be sworn in. END NOTE.

¶4. (C) The report, which has not been released publicly, upholds findings of the initial ad hoc committee with regard to the illegality of Vice President Atiku's approval of a 20 million USD disbursement in October 2003 and President Obasanjo's approval of payment for the incorporation of Galaxy Backbone, purchase of computers for civil servants, and funding of a report on the Obasanjo administration (Ref. B). The report deviated from the previous report, however, in that it also notes the illegality of Defence Industry Corporation of Nigeria (DICON) projects approved by President Obasanjo and Obasanjo's approval of the maintenance and use of four PTDF accounts by the Accountant General (which were unknown to PTDF management). The most stark difference, however, is in the recommendations of the Review Committee report. The report notes the illegal actions of both the President and Vice President and recommends that they both "be referred to the Code of Conduct Bureau for further action."

¶5. (C) COMMENT. Nnamani is walking a tightrope, balancing competing interests. The procedural technicality appears to be a compromise between committee members who likely wanted assurances the report would not be swept under the rug after

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the elections and Nnamani's own desire, as stated to Ambassador Campbell (Ref. A), to not do anything that could derail the elections. A full and public discussion of the report would likely cause a fire-storm in the Senate and the general population. Tabling the report allowed just enough information on its content to leak out to hopefully quell those claiming Nnamani has been influenced by the villa while also delaying any disruptive action until after the elections. END COMMENT.
CAMPBELL